

**REMARKS/ARGUMENTS**

The Office Action mailed on August 10, 2007 has been noted, and its contents carefully studied. The undersigned representative respectfully requests reconsideration of the rejections under 35 U.S.C. § 103 in light of these remarks/arguments.

Claims 1-11, 17-44 and 50-72 are pending in the application and all pending claims stand rejected under 35 U.S.C. § 103(a) as being unpatentable over O'Leary.

**Rejection Under 35 U.S.C. § 103(a)**

Claims 1-11, 17-44 and 50-72 are rejected under 35 U.S.C. § 103(a) as being unpatentable over the teachings of O'Leary, the deficiencies of which have been pointed out in a previous response.

Regarding independent claims 1, 34, 71, and 72, the Examiner admits that O'Leary does not disclose at least:

- 1) a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient; and
- 2) providing the transaction account for the user with a third level of service that includes all features of the first and second levels of service plus a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transactions account.

The Examiner admits that O'Leary does not teach a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient but argues that such a held money feature is an inherent feature of O'Leary "since funds designated to be sent is normally held against the payer's account until the funds clear or picked up". The Examiner's attention was previously directed to MPEP 2112 IV which mandates:

In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art." *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis in original).

The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993) (reversed rejection because inherency was based on what would result due to optimization of conditions, not what was necessarily present in the prior art).

(emphasis supplied).

The fact that "funds designated to be sent is normally held against the payer's account until the funds clear or picked up" may occur or be present in O'Leary is not sufficient to establish the inherency of that result or characteristic. On the contrary, the Schrader reference (US 5,903,881) previously cited and withdrawn by the Examiner details the characteristics of checkbook and on-line banking applications as including only: (1) account management consisting of viewing bank account data from the bank, initiating requests to the bank to generate fund transfers between accounts, and requesting account or transaction information from the bank; (2) bill payment consisting of initiating requests to the bank to pay vendors; (3) checkbook transactions consisting of accounting, such as checks, withdrawals, and purchases; and (4) current balance calculation. (Schrader, Col 1, lines 18-46). There is no hint of a suggestion in O'Leary, Schrader or any other of the Examiner's art of a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient. Consequently, the Examiner's own applied art teaches away from the Examiner's allegation that the particular characteristic necessarily flows from the art and clearly demonstrates the Examiner's error in relying upon the theory of inherency. The Examiner's allegation of inherency is improper and should be withdrawn.

The Examiner also admits that O'Leary does not teach providing the transaction account for the user with a third level of service that includes all features of the first and second levels of service plus a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transactions account but alleges that he has "official notice" because "attaching a line of credit to a transaction account is old and well known in the art, such method is well established in commercial banking where regular checking transaction account is tied to overdraft line of credit, enabling customers to overdraft their regular transaction accounts if there is an insufficient fund in the said account to settle a payment." On the contrary, the proposed modification of O'Leary in view of the Examiner's "official notice" is improper and should be withdrawn for at least the following reasons:

- the notice taken is not capable of such instant and unquestionable demonstration as to defy dispute;
- the notice taken is not supported by citation to some reference work recognized as a standard in the pertinent art; and
- a clear and unmistakable technical line of reasoning underlying the decision to take such notice is not provided.

The notice of facts beyond the record which may be taken by the Examiner must be "capable of such instant and unquestionable demonstration as to defy dispute." (*In re Ahlert*, 424 F.2d, 1088, 1091 (CCPA 1970). It would not be appropriate for the Examiner to take "official notice" of facts without citing a prior art reference where the facts asserted are not capable of instant and unquestionable demonstration as being well-known. (MPEP 2144.03). Assertions of specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. (MPEP 2144.03). If "official notice" is taken, the technical line of reasoning underlying a decision to take such notice must be clear. (MPEP 2144.03).

First, assertions of the sort made by the Examiner in the technology area of the subject invention (electronic commerce) are inherently unlikely to be capable of such instant and unquestionable demonstration as to defy dispute. Second, the Examiner does not cite a prior art reference beyond O'Leary, which the Examiner admits fails to teach the claim element of which

the Examiner claims to have “official notice”. Finally, no technical line of reasoning underlying the decision to take such “official notice” is presented.

For these reasons, the undersigned requests that the Examiner’s allegation of “official notice” be withdrawn. The remarks to this point are a challenge to the implicit finding that “official notice” is proper in this case. The remarks are responsive in that they distinctly and specifically point out the error in taking “official notice” in this fashion as required by 37 C.F.R. 1.111(b). While the MPEP asserts:

To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner’s action, which includes stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b), such a traverse is required only where the “official notice” is properly taken. Otherwise, an improper “official notice”, e.g., mere assertions, would operate as an inappropriate burden shifting tactic.

Consequently, O’Leary does not disclose or suggest the required combinations of limitations of independent claims 1, 34, 71, and 72. Because O’Leary fails to teach the limitations of claims 1, 34, 71, and 72, the Examiner has failed to establish the required *prima facie* case of unpatentability. The Examiner has failed to establish the required *prima facie* case of unpatentability for independent claims 1, 34, 71, and 72, and similarly has failed to establish a *prima facie* case of unpatentability for claims 2-11, 17-33, and 67-70 that depend on claim 1 and claims 35-44 and 50-66 that depend on claim 34 and which recite further specific elements that have no reasonable correspondence with the reference.

**CONCLUSION**

In view of the foregoing remarks/arguments, each of the claims remaining in the application is believed to be in condition for immediate allowance. Accordingly, the Examiner is respectfully requested to reconsider and withdraw the rejection and to pass the application to issue. Should the Office feel that contacting the undersigned representative will aid in expediting the prosecution of this application, please do not hesitate to do so at the number provided below. If any fees are required in connection with this filing, the Commissioner is hereby authorized to charge Deposit Account No. 50-4402.

Respectfully submitted,

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